

MARRIOTT
VACATIONS
WORLDWIDE™

Investor Presentation

February 23, 2023



Forward-Looking Statements

We refer throughout this presentation to the business acquired by our acquisition of Welk Resorts as “Legacy Welk.”

This presentation and accompanying schedules contain “forward-looking statements” within the meaning of federal securities laws, including statements about expectations for future growth and projections for full year 2023. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words “believe,” “expect,” “plan,” “intend,” “anticipate,” “estimate,” “predict,” “potential,” “continue,” “may,” “might,” “should,” “could” or the negative of these terms or similar expressions. We caution you that these statements are not guarantees of future performance and are subject to numerous and evolving risks and uncertainties that we may not be able to predict or assess, such as: the continuing effects of the COVID-19 pandemic or future health crises, including quarantines or other government-imposed travel or health-related restrictions; the length and severity of the COVID-19 pandemic or future health crises, including short and longer-term impacts on consumer confidence and demand for travel, and the pace of recovery following the COVID-19 pandemic or future health crises or as effective treatments or vaccines against variants of the COVID-19 virus or future health crises become widely available; variations in demand for vacation ownership and exchange products and services; worker absenteeism; price inflation; global supply chain disruptions; volatility in the international and national economy and credit markets, including as a result of the COVID-19 pandemic and the on-going conflict between Russia and Ukraine and related sanctions and other measures; our ability to attract and retain our global workforce; competitive conditions; the availability of capital to finance growth; the impact of rising interest rates; the effects of steps we have taken and may continue to take to reduce operating costs and/or enhance health and cleanliness protocols at our resorts due to the COVID-19 pandemic; political or social strife, and other matters referred to under the heading “Risk Factors” in our most recent Annual Report on Form 10-K, and which may be updated in our periodic filings with the U.S. Securities and Exchange Commission. All forward-looking statements in this presentation are made as of the date of this presentation and we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law. There may be other risks and uncertainties that we cannot predict at this time or that we currently do not expect will have a material adverse effect on our financial position, results of operations or cash flows. Any such risks could cause our results to differ materially from those we express in forward-looking statements.

In this presentation we report certain financial measures that are not prescribed by United States generally accepted accounting principles (“GAAP”). We discuss our reasons for reporting these non-GAAP financial measures herein, and reconcile the most directly comparable GAAP financial measure to each non-GAAP financial measure that we report (in the appendix). Non-GAAP financial measures are identified in the footnotes in the pages that follow and are further explained in the appendix. Although we evaluate and present these non-GAAP financial measures for the reasons described in the appendix, please be aware that these non-GAAP financial measures have limitations and should not be considered in isolation or as a substitute for revenues, net income or loss attributable to common shareholders, earnings or loss per share or any other comparable operating measure prescribed by GAAP. In addition, other companies in our industry may calculate these non-GAAP financial measures differently than we do or may not calculate them at all, limiting their usefulness as comparative measures.

In the third quarter of 2022, in connection with the unification of our Marriott-, Westin-, and Sheraton-branded vacation ownership products under the Abound by Marriott Vacations program, we aligned our contract terms for the sale of vacation ownership products, resulting in the prospective acceleration of revenue from the sale of Marriott-branded vacation ownership interests in the third and fourth quarters of 2022. In addition, in the third quarter of 2022 we aligned our reserve methodology on vacation ownership notes receivable for these brands, resulting in a decrease in the reserve for the acquired notes offset by an increase in the reserve for the originated notes. Together, these changes are herein referred to as the “Alignment.”

We also refer to brands that we own, as well as those brands that we license, as our brands. All brand names, trademarks, service marks, and trade names cited in this presentation are the property of their respective owners, including those of other companies and organizations. Solely for convenience, trademarks, trade names, and service marks referred to in this presentation may appear without the ® or TM symbols, however such references are not intended to indicate in any way that MVW or the owner, as applicable, will not assert, to the fullest extent under applicable law, all rights to such trademarks, trade names, and service marks.



Driving Sustained Long-Term Growth

Unique and resilient business model

Consistent and sustainable growth

Leading Provider of Vacation Experiences

Vacation Ownership – ~85% of Adjusted EBITDA Contribution*

- Sales of vacation ownership products & financing
- Management & rentals

7

Iconic Brands



>120

Resorts



~700,000

Owner Families



Leader in

Upper Upscale Resorts



Exchange and Third-Party Management – ~15% of Adjusted EBITDA Contribution*

- Exchange
- Third-party management

~1.6M

Interval International
Members



>3,200

Exchange Resorts



Premier

Exchange Company



>90

Countries and Territories



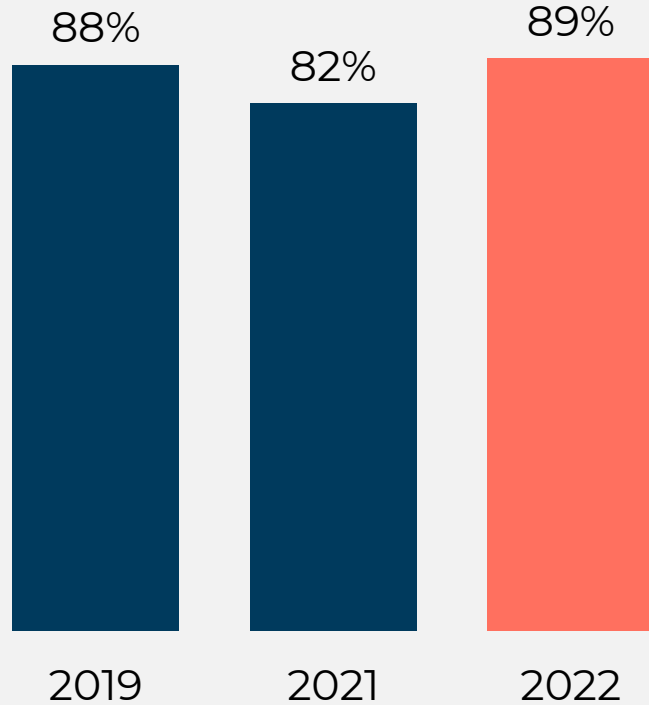
All values as of 12/31/2022 and Adjusted EBITDA contribution based on FY 2022 and is adjusted for the \$51M impact of the Alignment.
*Adjusted EBITDA contribution and Adjusted EBITDA as Adjusted are non-GAAP measures. For definition and reconciliation, please see appendix.

Evolving and Resilient Business Model

	Pre 2011		Today		Outcome
Brand Expansion	3 brands	➔	7 brands	=	Strong consumer demographic/ New Marriott/Hyatt programs
Product	Timeshare + residence + fractional ownership	➔	Timeshare + exchange	=	Diverse cash flow
Development Model	Deeded weeks-based	➔	Primarily points-based	=	Capital efficient
Sales Centers	Site-specific	➔	"Sell the system"	=	Perpetual sales centers across system and more efficient marketing channels
Inflation	Capital intensive weeks-based product	➔	Little near-term construction Limited exposure to variable rate debt	=	High margins and free cash flow

On-Site Guests Drive Sales

High Resort Occupancy



Most Vacation Ownership
Sales Come from
On-Property Guests¹

~85%
from resort
guests

1. Sales from resort guests based on 2022 contract sales.

High-Margin Exchange and Third-Party Management Business with Low Capital Intensity



\$148M

Segment
Adjusted EBITDA*



2%

Capital Expenditure
as % of Revenue (excluding
Cost Reimbursements)



55%

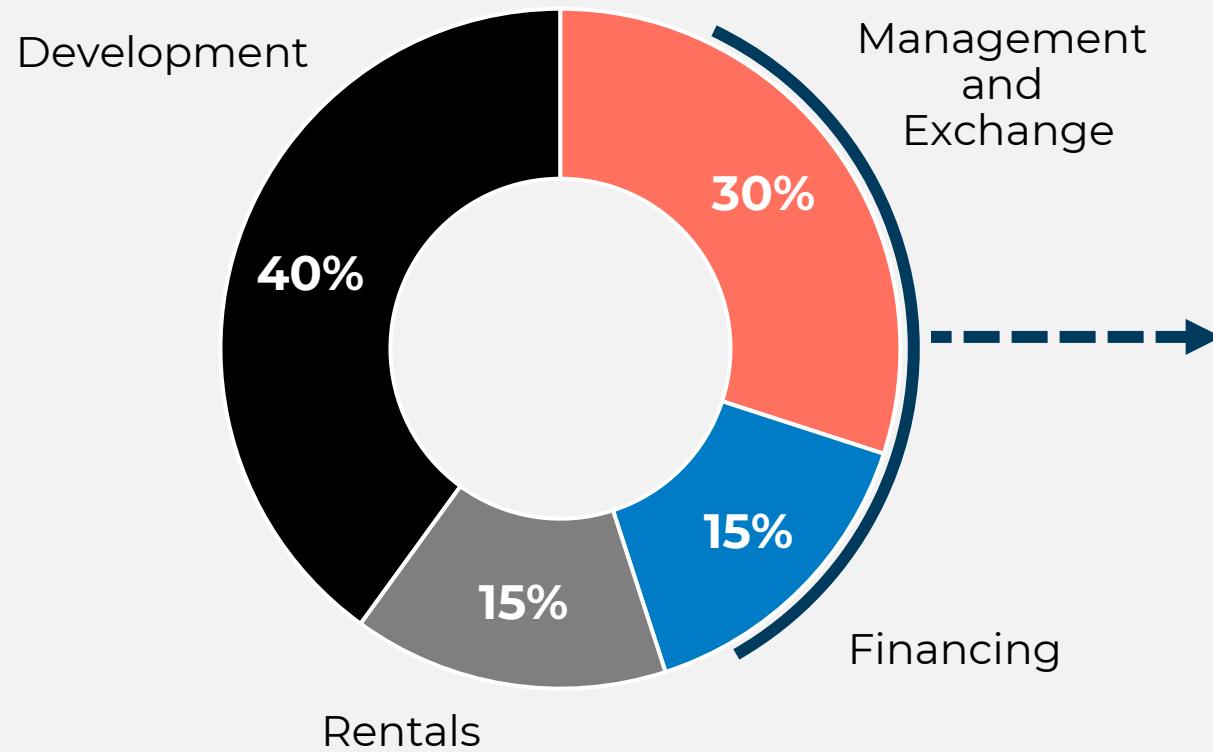
Segment
Adjusted EBITDA Margin*

All numbers represent FY 2022.

*Segment Adjusted EBITDA and Segment Adjusted EBITDA margin are non-GAAP measures. Please see appendix for definitions and reconciliations.

Substantial Adjusted EBITDA from Recurring Sources

Adjusted EBITDA Contribution(1)*



~35%
of Adjusted EBITDA
contribution from
recurring sources



1. All numbers approximate.

*Adjusted EBITDA Contribution is based on 2022 results as adjusted for the \$51M Alignment and is a non-GAAP measure. For definition and reconciliation, please see appendix.

Well Positioned To Continue Rapid Growth

1 100% leisure focused w/ iconic brands

- Flexible and resilient to changing work trends

2 Spacious upper upscale resorts

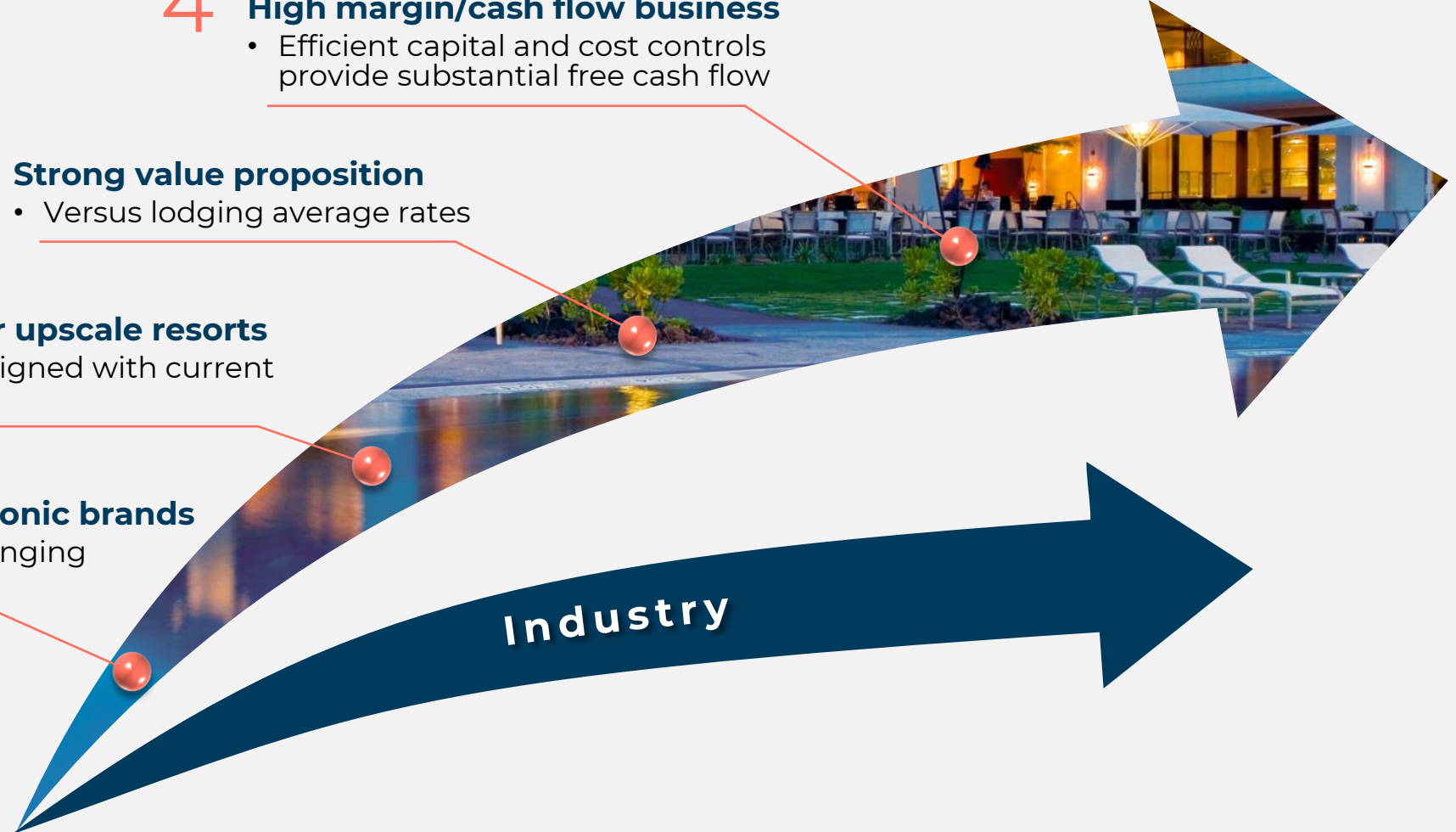
- Product well aligned with current vacation style

3 Strong value proposition

- Versus lodging average rates

4 High margin/cash flow business

- Efficient capital and cost controls provide substantial free cash flow



Large and Attractive Addressable Market and Customer Base

Vacation Ownership

~43M



Households – addressable market in U.S. alone¹

~735



FICO score

~\$125K



Median annual income

\$1.5M



Median net worth



1. Based on 2021 data from the American Community Survey.

Strong Liquidity Position

As of December 31, 2022

Available cash on hand¹

\$266M

Gross notes available for securitization

\$72M

Additional borrowing capacity under revolving credit facility²

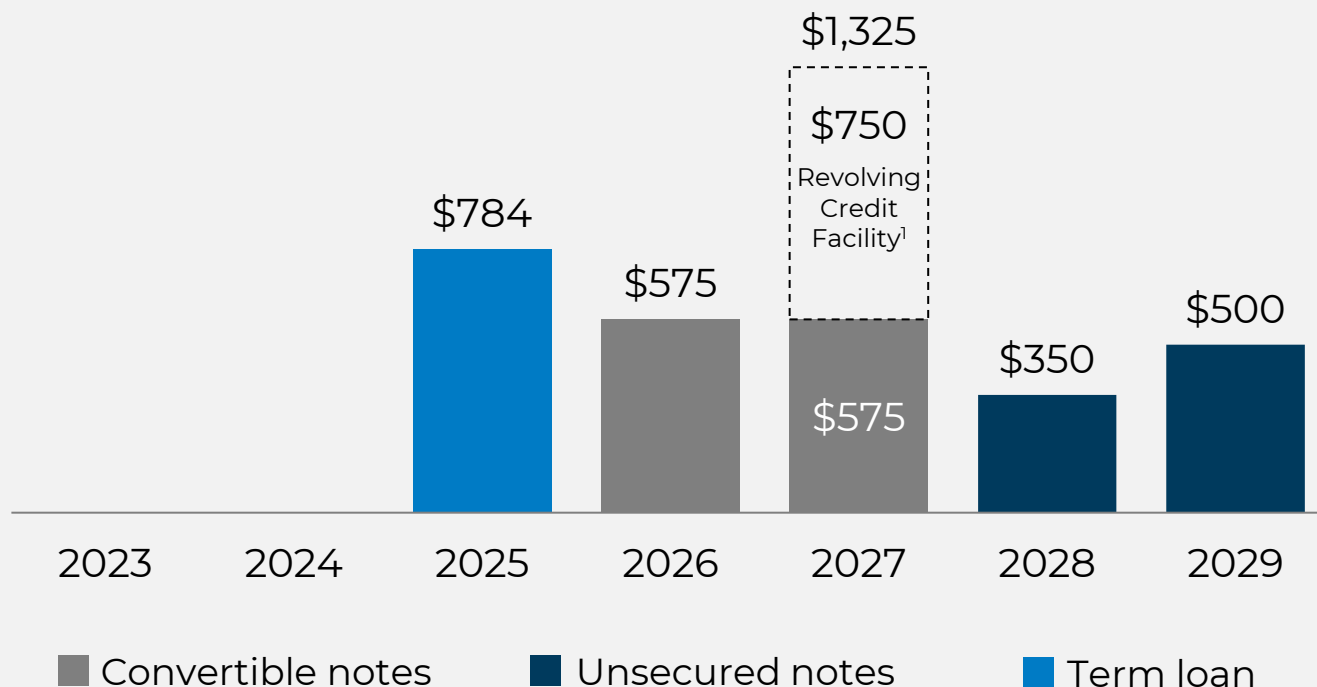
\$750M

\$1.1 Billion of Liquidity¹

1. Pro forma for the \$258M cash payment for the January 2023 redemption of 6.125% secured notes originally due 2025.
2. Excludes \$1 million of outstanding Letters of Credit.

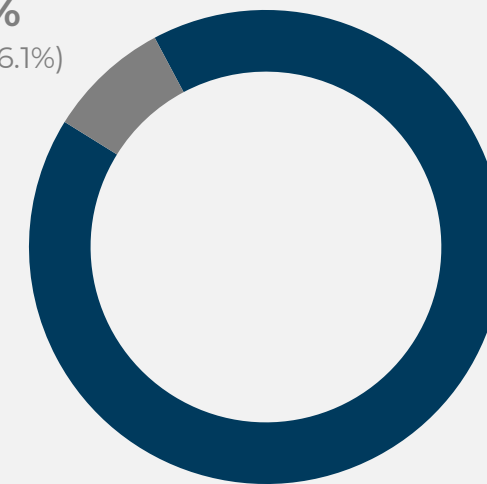
Conservative Balance Sheet with Interest Rates Primarily Fixed

Debt Maturity Schedule (\$M)



Fixed vs Floating Rate Debt²

Floating
8%
(cost: 6.1%)



Fixed
92%
(cost: 3.2%)

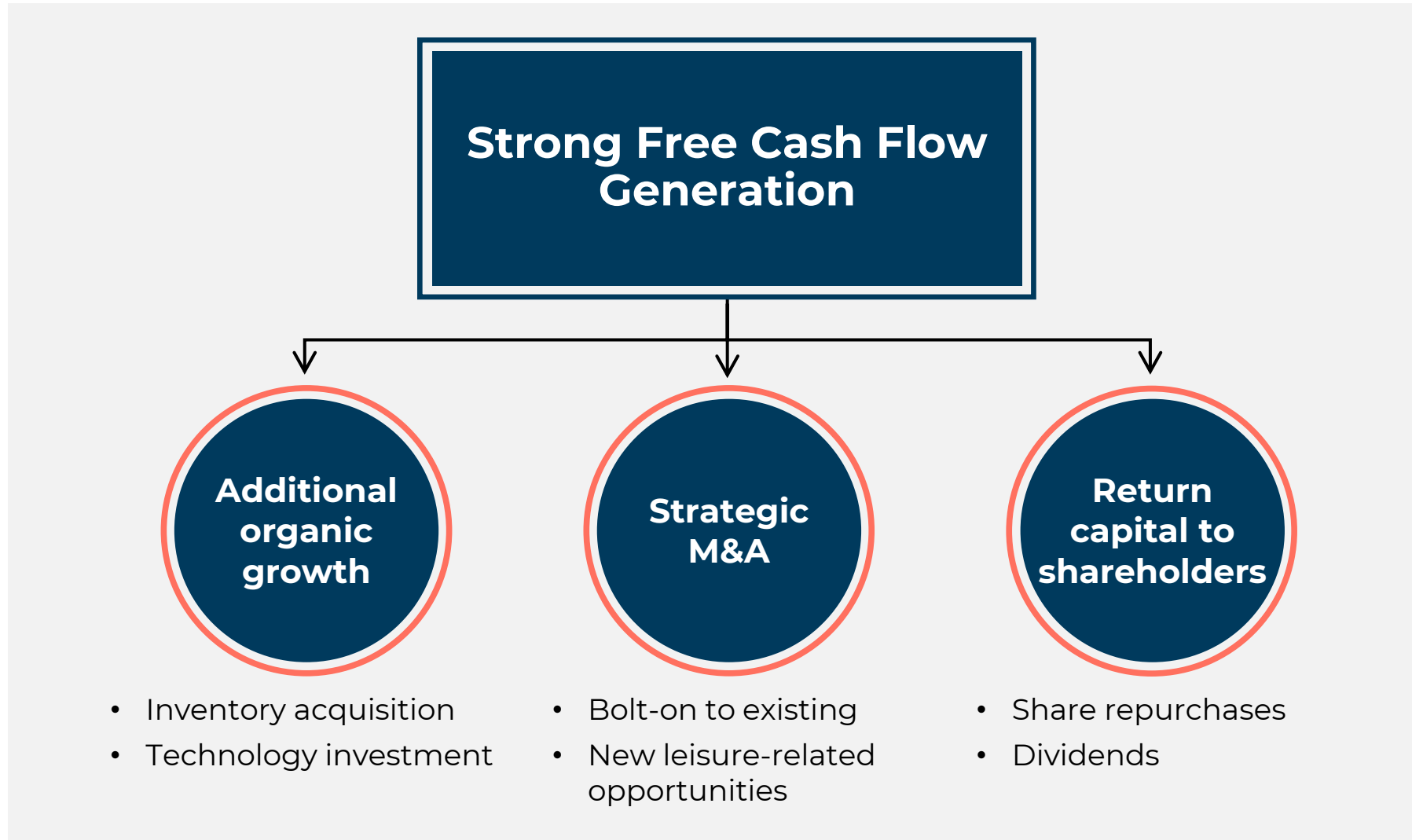
Net corporate debt: \$2.8B
at 3.4% weighted average cost

Debt as of 12/31/2022 and excludes finance leases, non-interest-bearing note for Bali, and non-recourse securitized debt. All numbers pro forma for the January 2023 redemption of 6.125% secured notes originally due 2025.

1. Excludes \$1 million of outstanding Letters of Credit.

2. Fixed rate includes hedged portion of Term Loan B totaling \$550M.

Disciplined Capital Allocation Model



2022 Year-End
Leverage of
2.9x



Well Positioned to Face Recessionary Challenges

- ✓ Strong customer base
- ✓ Vacations are “pre-paid” driving high resort occupancy rates
- ✓ The Interval International exchange model performs well in typical recessionary periods
- ✓ Minimum inventory commitments and debt maturities for the next few years
- ✓ Seasoned notes receivable pool
- ✓ Ability to adjust sales incentives





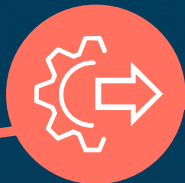
Driving Sustained Long-Term Growth

Unique and resilient business model

Consistent and sustainable growth

Three-Point Growth Strategy

1
Drive growth through continued transformation of our products



2
Leverage technology to expand our businesses and new product offerings



3
Disciplined use of free cash flow



Driving Vacation Ownership Growth

1



Leveraging our Brands to Drive Growth

2



Integrate Digital Experience & Enhance Service for Next Generation of Travelers

3



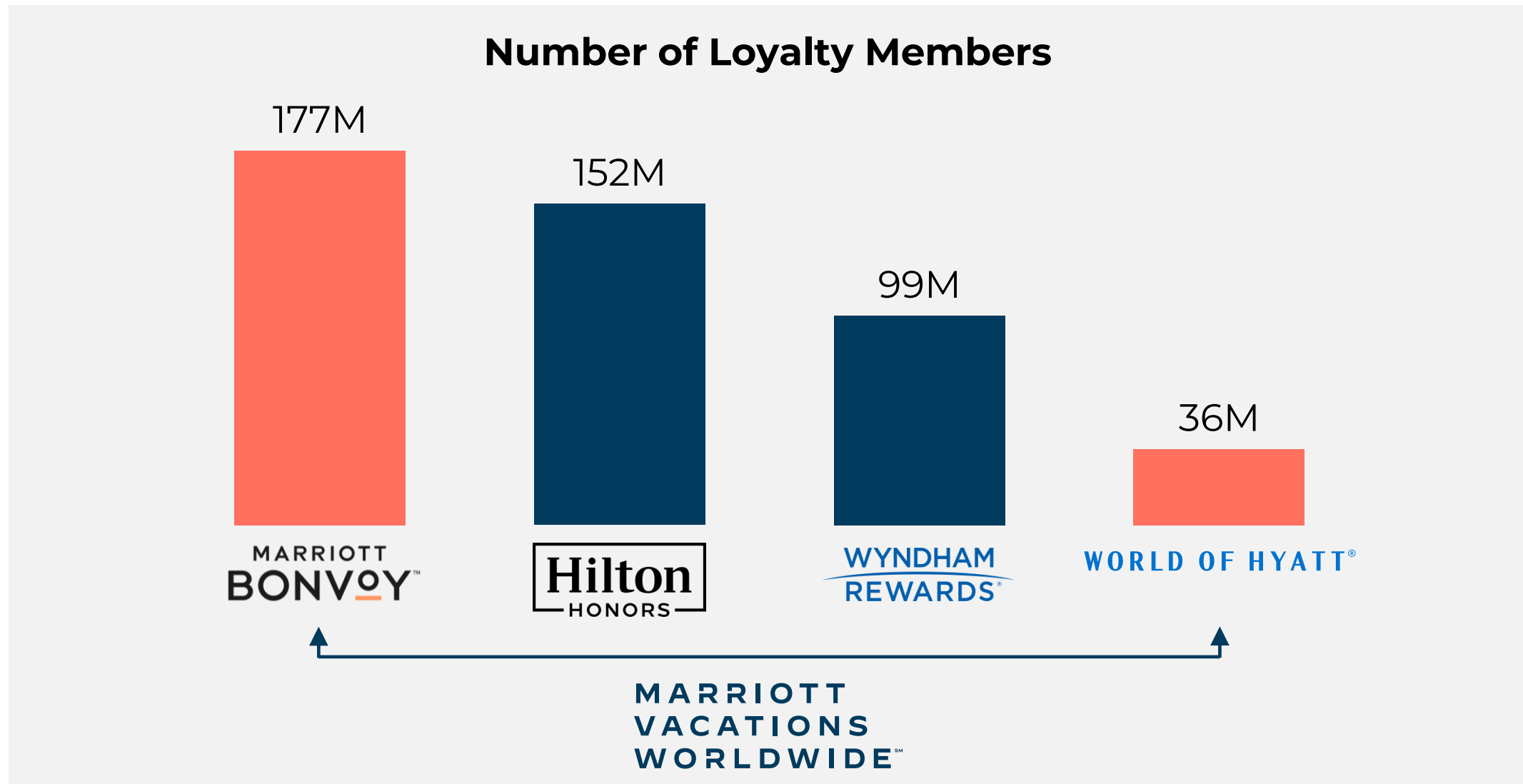
Technology-Driven Sales and Marketing Growth

4






High Owner Engagement with Customer-Driven Product Strategies

Vacation Ownership Growth Strategy #1 Leveraging Strong License Relationships



Vacation Ownership Growth Strategy #1

Global Footprint in Premium Locations

	 MARRIOTT VACATION CLUB®	 WESTIN® VACATION CLUB	 SHERATON VACATION CLUB	 HRC HYATT RESIDENCE CLUB
Scottsdale, AZ	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Orlando, FL	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Maui, HI	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Oahu, HI	<input checked="" type="checkbox"/>			
Big Island, HI	<input checked="" type="checkbox"/>			
Kauai, HI	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Las Vegas, NV	<input checked="" type="checkbox"/>			
New York, NY	<input checked="" type="checkbox"/>			
Aruba	<input checked="" type="checkbox"/>			
Cancun, Mexico		<input checked="" type="checkbox"/>		
Los Cabos, Mexico		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Asia Pacific	<input checked="" type="checkbox"/>			

Transforming Hyatt Vacation Ownership Business

1



Implement best practices

2



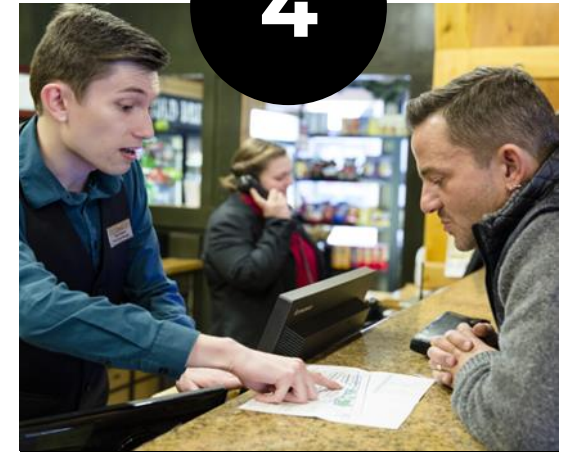
Product enhancements

3



Capitalize on development opportunities

4



Optimize marketing channels

Vacation Ownership Growth Strategy #2

Vacation Next – Multi-Year Transformation for Key Advantages

1 Unify products and New Owner Program

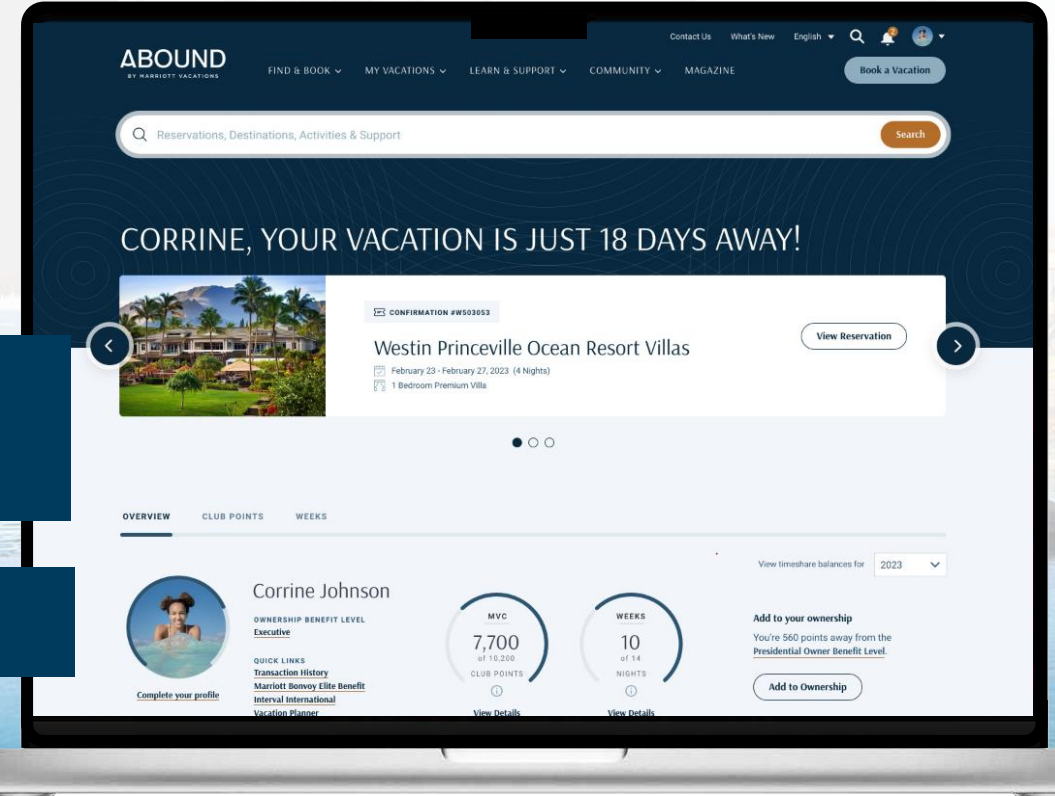
ABOUND

BY MARRIOTT VACATIONS™



2 Create integrated digital experience for associates and owners

3 Transform marketing, sales and service



Vacation Ownership Growth Strategy #3

Initiatives to Optimize Direct Marketing

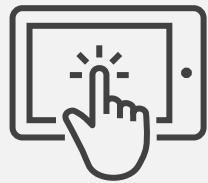
Expanded access to members

MARRIOTT
BONVOY[™]



Enhancing digital program efficiency

Digital Programs



Modern campaign management tools



Adobe Experience Cloud

CRM implementation across business



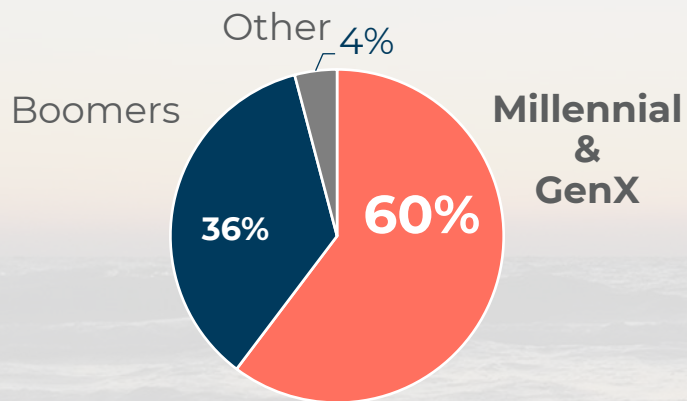
Improving performance across all channels

Advanced Analytics



Vacation Ownership Growth Strategy #4 Focusing on First Time Buyer Growth

Increasing Sales to Younger Generations¹



Growing New Owners²



~140K
First-time buyers
added since
2016

1. FY 2022 contract sales. First time buyers only.
2. 2016 – Q4 2022. Includes legacy Welk since acquisition.

Adding Highly Engaged New Owners Drives Revenue Growth

Average Revenue Contribution of Initial Purchases Through First Five Years



Exchange & Third-Party Management Business Growth Strategies

1



Increase share of wallet with enhanced product offerings

2



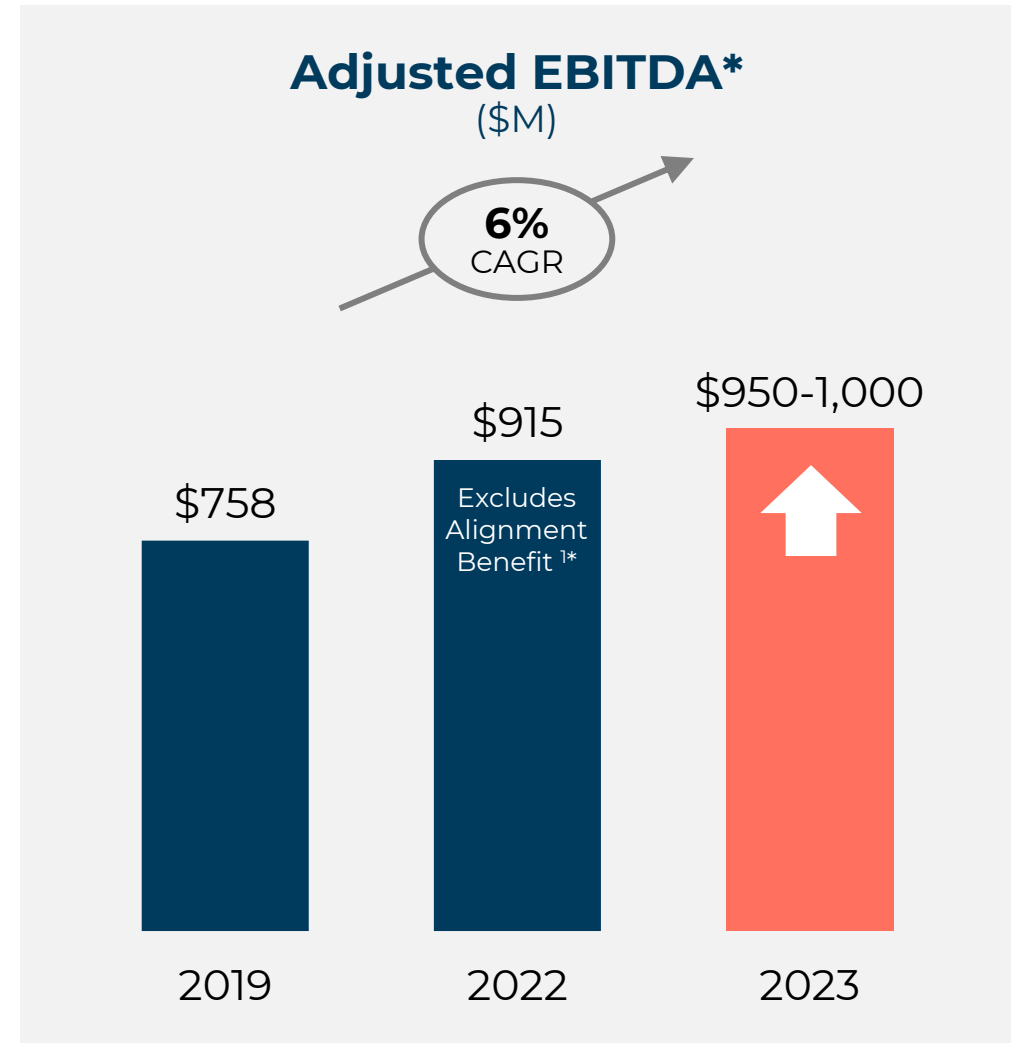
Expand distribution channels

3



Grow affiliations and management contracts

Strong Contract Sales and Adjusted EBITDA Growth



CAGRs calculated using the 2023 midpoint.

1. Excludes \$51M of Alignment benefit. Including the Alignment, FY 2022 Adjusted EBITDA was \$966M.

*Adjusted EBITDA and the Alignment are non-GAAP measures. For definition and reconciliation, please see appendix.

Expect to Generate Substantial Adjusted Free Cash Flow in 2023

(\$M)	Low	High
Adjusted EBITDA*	\$950	\$1,000
Cash interest	(115)	(115)
Cash taxes	(180)	(195)
Corporate capital expenditures	(80)	(90)
Inventory	65	95
Financing activity and other	(40)	(25)
Adjusted Free Cash Flow*	\$600	\$670

* Adjusted EBITDA and Adjusted Free Cash Flow are non-GAAP measures. For definition and reconciliation, please see appendix.

Resilient, Well-Positioned Business Executing on Proven Strategy

- ▶ Proven resilient business model
- ▶ Well-positioned products with iconic brands
- ▶ Rapid expansion through organic growth, acquisitions, and new product lines
- ▶ Enhancing value and efficiency with technology
- ▶ High-margin businesses yielding substantial adjusted free cash flow

IN SUMMARY

Appendix



Non-GAAP Financial Measures

In our presentation we report certain financial measures that are not prescribed by GAAP. We discuss our reasons for reporting these non-GAAP financial measures below and we have made footnote references to them on the preceding pages. The financial schedules included herein reconcile the most directly comparable GAAP financial measure to each non-GAAP financial measure that we report. Although we evaluate and present these non-GAAP financial measures for the reasons described below, please be aware that these non-GAAP financial measures have limitations and should not be considered in isolation or as a substitute for revenues, net income or loss attributable to common shareholders, earnings or loss per share or any other comparable operating measure prescribed by GAAP. In addition, other companies in our industry may calculate these non-GAAP financial measures differently than we do or may not calculate them at all, limiting their usefulness as comparative measures.

We evaluate non-GAAP financial measures, including those described below, that exclude certain items in the periods indicated, and believe these measures provide useful information to investors because these non-GAAP financial measures allow for period-over-period comparisons of our on-going core operations before the impact of these items. These non-GAAP financial measures also facilitate the comparison of results from our on-going core operations before these items with results from other vacation ownership companies.

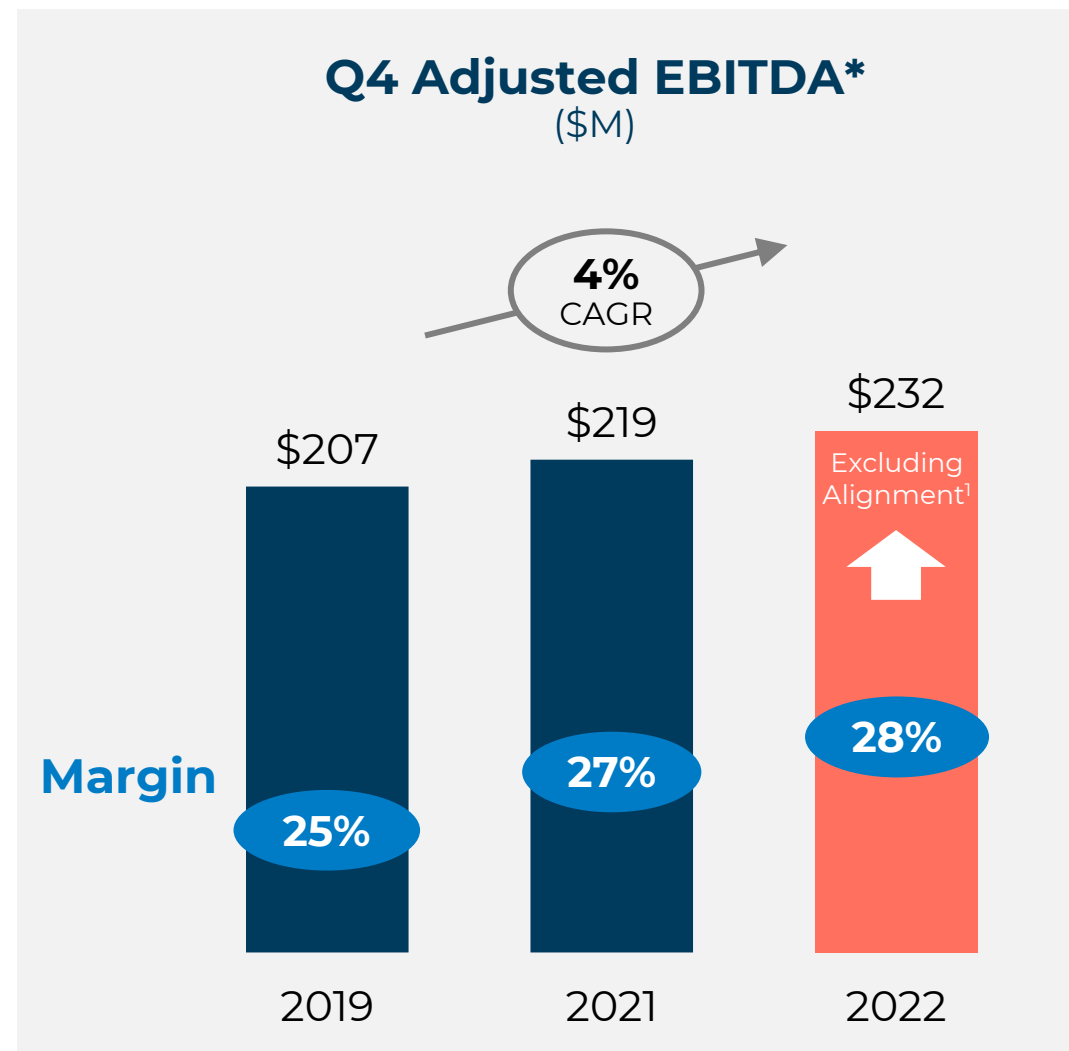
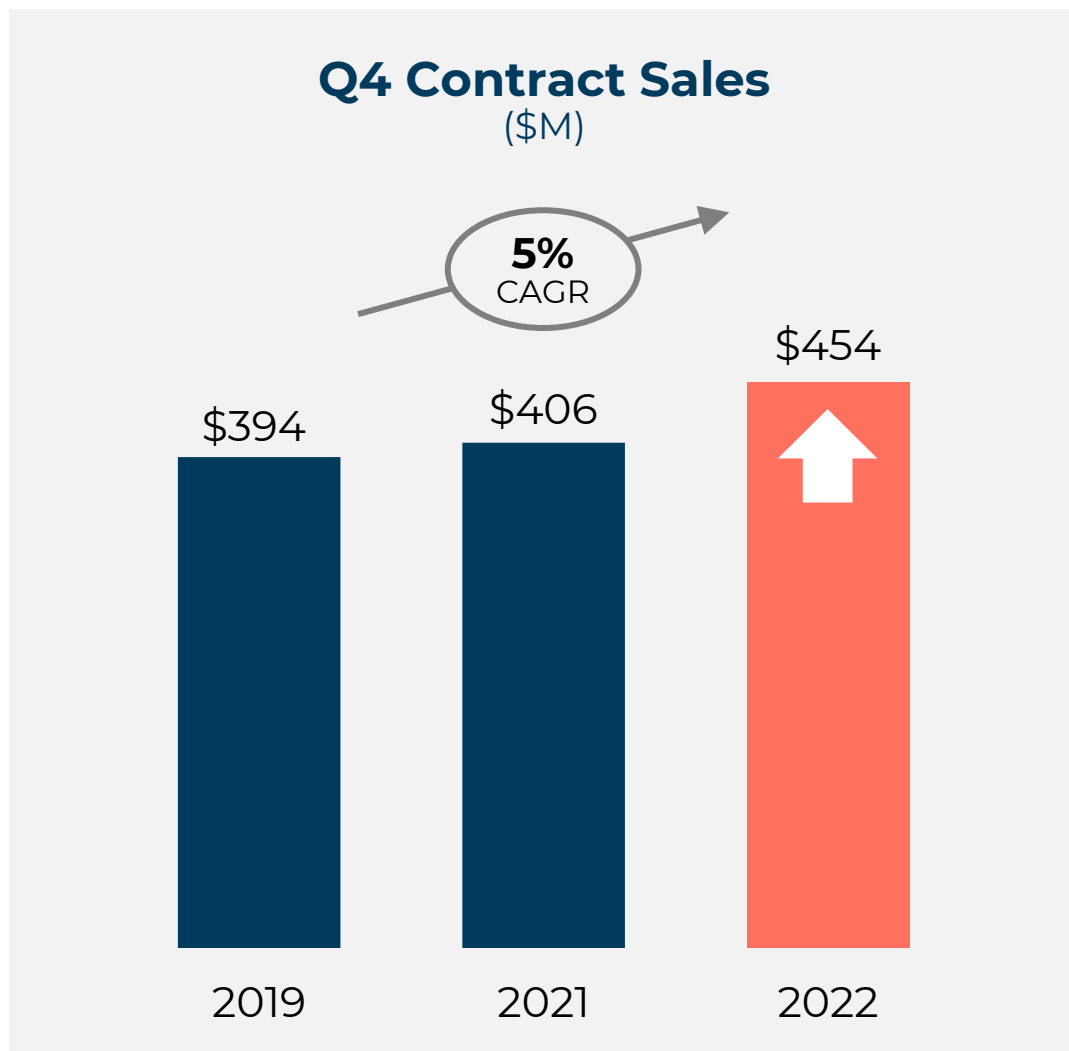
Earnings Before Interest Expense, Taxes, Depreciation and Amortization (“EBITDA”) and Adjusted EBITDA. EBITDA, a financial measure that is not prescribed by GAAP, is defined as earnings, or net income or loss attributable to common shareholders, before interest expense (excluding consumer financing interest expense associated with term loan securitization transactions), income taxes, depreciation and amortization. Adjusted EBITDA reflects additional adjustments for certain items, as itemized in the discussion of Adjusted EBITDA in the following pages and excludes share-based compensation expense to address considerable variability among companies in recording compensation expense because companies use share-based payment awards differently, both in the type and quantity of awards granted. For purposes of our EBITDA and Adjusted EBITDA calculations, we do not adjust for consumer financing interest expense associated with term loan securitization transactions because we consider it to be an operating expense of our business. We consider Adjusted EBITDA to be an indicator of operating performance, which we use to measure our ability to service debt, fund capital expenditures, expand our business, and return cash to shareholders. We also use Adjusted EBITDA, as do analysts, lenders, investors and others, because this measure excludes certain items that can vary widely across different industries or among companies within the same industry. For example, interest expense can be dependent on a company’s capital structure, debt levels and credit ratings. Accordingly, the impact of interest expense on earnings can vary significantly among companies. The tax positions of companies can also vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the jurisdictions in which they operate. As a result, effective tax rates and provisions for income taxes can vary considerably among companies. EBITDA and Adjusted EBITDA also exclude depreciation and amortization because companies utilize productive assets of different ages and use different methods of both acquiring and depreciating productive assets. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies. We believe Adjusted EBITDA is useful as an indicator of operating performance because it allows for period-over-period comparisons of our on-going core operations before the impact of the excluded items. Adjusted EBITDA also facilitates comparison by us, analysts, investors, and others, of results from our on-going core operations before the impact of these items with results from other companies.

Adjusted EBITDA Margin and Segment Adjusted EBITDA Margin. We evaluate Adjusted EBITDA margin and Segment adjusted EBITDA margin as indicators of operating performance. Adjusted EBITDA margin represents Adjusted EBITDA divided by our total revenues less cost reimbursement revenues. Segment adjusted EBITDA margin represents Segment adjusted EBITDA divided by the applicable segment’s total revenues less cost reimbursement revenues. We evaluate Adjusted EBITDA margin and Segment adjusted EBITDA margin and believe it provides useful information to investors because it allows for period-over-period comparisons of our on-going core operations.

Alignment. In the third quarter of 2022, in connection with the unification of our Marriott-, Westin-, and Sheraton-branded vacation ownership products under the Abound by Marriott Vacations program, we aligned our contract terms for the sale of vacation ownership products, resulting in the prospective acceleration of revenue from the sale of Marriott-branded vacation ownership interests in the third and fourth quarters of 2022. In addition, in the third quarter of 2022 we aligned our reserve methodology on vacation ownership notes receivable for these brands, resulting in a decrease in the reserve for the acquired notes offset by an increase in the reserve for the originated notes. Together, these changes are herein referred to as the “Alignment.”

Results as Adjusted. In our presentation and schedules we provide “as adjusted” results for comparison. The “as adjusted” results exclude any impacts to our reported results on a GAAP basis due to the Alignment. We provide this “as adjusted” information because we believe that it facilitates the comparison of results from our on-going core operations before the impact of the Alignment. We believe that the “as adjusted” results provide useful information to assist with period-over-period comparisons of our on-going operations excluding any impact from the Alignment.

Robust Q4 Contract Sales and Adjusted EBITDA Growth



1. Excludes \$7M of Alignment benefit. Including the Alignment, Q4 2022 Adjusted EBITDA was \$239M. Adjusted EBITDA CAGR and Adjusted EBITDA Margin based on Q4 2022 numbers excluding the impact of the Alignment. *Adjusted EBITDA and the Alignment are non-GAAP measures. For definition and reconciliation, please see appendix.

Non-GAAP Financial Measures

(In millions)

Consolidated Adjusted EBITDA

	2019	2023	
		Low	High
Net income attributable to common shareholders	\$ 138	\$ 405	\$ 440
Interest expense	132	140	140
Provision for income taxes	83	165	180
Depreciation and amortization	141	125	125
EBITDA	494	835	885
Share-based compensation	37	40	40
Certain items			
Litigation charges	7	5	5
Transaction and integration costs	119	50	50
Impairment charges	99	-	-
Miscellaneous other adjustments	(15)	-	-
Purchase accounting adjustments	17	20	20
Adjusted EBITDA	\$ 758	\$ 950	\$ 1,000

Non-GAAP Financial Measures

(In millions)

	Q4 2019	Q4 2021	Q4 2022		
			As reported	Alignment	As Adjusted ⁽¹⁾
Consolidated Adjusted EBITDA Margin					
Net income attributable to common shareholders	\$ 74	\$ 61	\$ 88	\$ (5)	\$ 83
Interest expense	32	36	27	-	27
Provision for income taxes	33	11	57	(2)	55
Depreciation and amortization	35	34	34	-	34
EBITDA	174	142	206	(7)	199
Share-based compensation	8	18	9	-	9
Certain items:					
ILG integration	24	29	15	-	15
Welk acquisition and integration	-	8	4	-	4
I/T Global Sourcing	-	-	3	-	3
Other transformation initiatives	-	-	4	-	4
Other transaction costs	-	(2)	-	-	-
Transaction and integration costs	24	35	26	-	26
Dispositions	(19)	-	-	-	-
Debt related matters	6	-	-	-	-
Early redemption of senior unsecured notes	-	19	-	-	-
Foreign currency translation	(6)	4	-	-	-
Insurance proceeds	-	-	(1)	-	(1)
Change in indemnification asset	-	(1)	1	-	1
Other	-	2	(1)	-	(1)
(Gains) losses and other (income) expense, net	(19)	24	(1)	-	(1)
Purchase accounting adjustments	10	3	(2)	-	(2)
Litigation charges	2	2	4	-	4
Various tax related matters	8	-	-	-	-
Impairment	-	(2)	1	-	1
Eliminate impact of Consolidated Property Owners' Associations	-	(3)	-	-	-
Change in estimate relating to pre-acquisition contingencies	-	-	(7)	-	(7)
Other	-	-	3	-	3
Adjusted EBITDA	\$ 207	\$ 219	\$ 239	\$ (7)	\$ 232
Total revenues excluding cost reimbursements	\$ 827	\$ 799	\$ 832	\$ (12)	\$ 820
Adjusted EBITDA margin	25%	27%	29%		28%

(1) As adjusted for the impact of the Alignment, as defined in A-2.

Non-GAAP Financial Measures

	Reportable Segments					As Adjusted ⁽¹⁾			
	Vacation Ownership	2022 Alignment	Vacation Ownership As Adjusted ⁽¹⁾	Exchange & Third-Party Management	Corporate and Other	2022 Total	VO and Exchange & Third-Party Management	% Vacation Ownership	% Exchange & Third-Party Management
<i>(In millions)</i>									
Net income attributable to common shareholders	\$ 961	\$ (38)	\$ 923	\$ 132	\$ (702)	\$ 353	\$ 1,055		
Interest expense	-	-	-	-	118	118	-		
Provision for income taxes	-	(13)	(13)	-	191	178	(13.00)		
Depreciation and amortization	92	-	92	31	9	132	123		
EBITDA	1,053	(51)	1,002	163	(384)	781	1,165		
Share-based compensation	7	-	7	2	30	39	9		
Certain items ⁽²⁾	(27)	-	(27)	(17)	139	95	(44)		
Adjusted EBITDA	<u>\$ 1,033</u>	<u>\$ (51)</u>	<u>\$ 982</u>	<u>\$ 148</u>	<u>\$ (215)</u>	<u>\$ 915</u>	<u>\$ 1,130</u>	<u>87%</u>	<u>13%</u>
Total revenues	\$ 4,342	\$ (39)	\$ 4,303	\$ 291	\$ 23	4,617	\$ 4,594		
Less: cost reimbursements	(1,388)	-	(1,388)	(23)	44	(1,367)	(1,411)		
Total revenues excluding cost reimbursements	<u>\$ 2,954</u>	<u>\$ (39)</u>	<u>\$ 2,915</u>	<u>\$ 268</u>	<u>\$ 67</u>	<u>\$ 3,250</u>	<u>\$ 3,183</u>		
Adjusted EBITDA margin				<u>55%</u>					

(1) As adjusted for the impact of the Alignment, as defined in A-2.

(2) Certain items for combined company in 2022 consisted of \$125 million of transaction and integration costs (including \$82 million of ILG integration related costs, \$16 million of other integration costs, \$14 million of Welk Acquisition and integration related costs, and \$13 million of other transaction costs), \$11 million of purchase accounting adjustments, \$11 million of litigation charges, \$2 million of impairment charges, and \$6 million of miscellaneous other adjustments, partially offset by \$40 million of gains and other income, \$12 million of change in estimate relating to pre-acquisition contingencies, \$6 million of revenue associated with expired or forfeited deposits on pre-acquisition preview packages, and \$2 million of revenue associated with an early termination of a VRI management contract.

Non-GAAP Financial Measures

Adjusted EBITDA Contribution. We calculate Adjusted EBITDA Contribution by calculating profit by revenue source (development, management and exchange, rental and financing) and then calculating profit by revenue source as a percentage of total profit, as reconciled herein. We consider Adjusted EBITDA Contribution to be an indicator of operating performance and believe it provides useful information to investors because it demonstrates the diversity of our business model and provides perspective regarding how much of our total Adjusted EBITDA comes from each revenue source.

<i>(In millions)</i>	2022			
	Adjusted EBITDA Contribution	Alignment	Adjusted EBITDA Contribution as Adjusted ⁽¹⁾	Adjusted Contribution % ^(1,2)
Development profit	\$ 522	\$ (32)	\$ 490	39%
Management and exchange profit	383	-	383	31%
Rental profit	169	-	169	14%
Financing profit	218	(19)	199	16%
Total	<u>\$ 1,292</u>	<u>\$ (51)</u>	<u>\$ 1,241</u>	<u>100%</u>

(1) As adjusted for the impact of the Alignment, as defined in A-2.

(2) Represents the contribution toward Adjusted EBITDA for the listed profit lines.

Non-GAAP Financial Measures

Free Cash Flow and Adjusted Free Cash Flow. We evaluate Free cash flow and Adjusted free cash flow as liquidity measures that provide useful information to management and investors about the amount of cash provided by operating activities after capital expenditures for property and equipment and the borrowing and repayment activity related to our term loan securitizations, which cash can be used for, among other purposes, strategic opportunities, including acquisitions and strengthening the balance sheet. Adjusted free cash flow, which reflects additional adjustments to Free cash flow for the impact of transaction and integration charges, impact of borrowings available from the securitization of eligible vacation ownership notes receivable, acquisition and restructuring charges, and changes in restricted cash, allows for period-over-period comparisons of the cash generated by our business before the impact of these items. Analysis of Free cash flow and Adjusted free cash flow also facilitates management's comparison of our results with our competitors' results.

(In millions)

Adjusted free cash flow

Net cash, cash equivalents, and restricted cash provided by operating activities
 Capital expenditures for property and equipment (excluding inventory)
 Borrowings from securitization transactions
 Repayment of debt related to securitization transactions
 Securitized debt issuance costs

Free cash flow

Adjustments:

Net change in borrowings available from the securitization of eligible vacation ownership notes receivable ⁽¹⁾
 Certain items, net of taxes:
 Litigation charges
 Transaction and integration costs
 Change in restricted cash

Adjusted free cash flow

	2023	
	Low	High
	\$ 365	\$ 415
	(80)	(90)
	950	1,000
	(810)	(830)
	(15)	(15)
	<u>410</u>	<u>480</u>
	120	120
	5	5
	80	80
	(15)	(15)
	<u>\$ 600</u>	<u>\$ 670</u>

(1) Represents the net change in borrowings available from the securitization of eligible vacation ownership notes receivable between the 2022 and 2023 year ends.

Thank you.

